## Governance of Sustainable Tourism Development in China

## Mimi Li Associate Professor School of Hotel and Tourism Management The Hong Kong Polytechnic University

## Shangzhi Qiu Assistant Professor School of Management Xiamen University

# Tingting Liu PhD Student School of Hotel and Tourism Management The Hong Kong Polytechnic University

## Governance of Sustainable Tourism Development in China

#### Abstract

In a highly centralized state such as China, central government normally dominates the legitimation, policymaking and agenda-setting in its key social actions. Specific to tourism governance, state involvement is deemed as the essential influence on governing and steering tourism sustainability in China. This study takes a political economy approach to investigate the evolving governance of sustainable tourism development in China over the past three decades. Through a temporal and horizontal analysis of its general national policy, Five-Year Guideline for National Economic and Social Development (FYG), the reciprocities between tourism, economy and politics were examined. The temporal variations and adaptions of tourism governance are clearly reflected in its FYGs. Central government's learning processes in managing tourism sustainability correspond closely to the macro political and economic structures and the mainstream policy of China.

KEYWORDS: China, Governance, Tourism, Sustainability

### Introduction

In public policymaking, there has been an analytical shift in approach from the perspective of government to that of governance since the late 1970s (Pierre, 1999). Yet, the notion of governance has only been of interest to tourism development since the 1990s given the rising awareness of sustainable tourism development (Hall, 2011). This shift has influenced a spectrum of policy domains in the tourism context including the role of the government to play (Bramwell, 2011), the formulation of policy instruments (Dinica, 2009) and the balance among social, economic and environmental interests (Wan, 2013). An effective governance has been regarded as the primary influence on implementing sustainable tourism in that it entails proper power distribution in decision making and applies appropriate instruments and standards in practice (Bramwell & Lane, 2011).

However, governance led by sustainable tourism principles may face major challenges in reality (Bramwell, 2011). Such difficulties include 1) a lack of integrated and consistent approach towards sustainable tourism framework, which very often covers across policy spheres superficially while ignores priori considerations on economic, environmental and social development (Hall, 2008); 2) the policies influencing tourism sustainability are normally dispersed in other policy domains rather than tourism arena itself, which limits the coordination among different tourism sectors (Bramwell, 2011); and 3) the fragmented nature of tourism industry as well as divergent sector representations cause the relatively weak tourism institutional settings (Williams & Shaw, 1998). Those obstacles necessitate the investigation of governance in sustainable tourism from a macro perspective at a national level.

There are two fundamental approaches to study governance in tourism scholarship, namely political economy approach and institutional approach (Wan, 2013; Bramwell & Lane, 2011). The first approach relates to a top-down process where the government steers and legitimates social actions (Beaumont & Dredge, 2010), whilst the second approach considers a network perspective where local organizational structures operate as the crucial forces to implement social actions (Bevir, 2009). Although various studies have focused on the institutional approach to tourism governance (e.g., Zahra, 2011; Jamal & Watt, 2011), few empirical works have leveraged political economy to examine governance mode at a national scale. In practice, state government always executes essential influence on governance and on every aspect of policymaking for tourism

sustainability (Bramwell, 2011). Furthermore, governance is in perpetual change to respond to the broader political processes and relevant circumstances (Wan, 2013). Investigating the evolving governance from a political economy approach enables the understanding of how the changing policies on ideology, economy and socio politics inform the governance of tourism sustainability (Sofield & Li, 2011).

In this sense, China provided a perfect context to examine the governance of sustainable tourism in that the country has experienced dramatic political and social changes in the past three decades from a central planned economy to a socialist market economy, and so did the role of the state in tourism development, as well as the ways by which the tourism industry is ruled or steered. Therefore, the purpose of the current study is to use a political economic approach to examine the governance of sustainable tourism development in China over the last three decades since the implementation of the open door policy in 1978, through a temporal and horizontal analysis of its national policy.

#### **Governance and Tourism**

Governance, as the regime of governing, receives increasing attention in the tourism plan and policy field since 1990s (Dredge & Jenkins, 2007; Dredge & Pforr, 2008; Hall, 2008; Wesley & Pforr, 2010; Beaumont & Dredge, 2010). However, the concept of governance is not as popular as the relevant terms of destination management, policy-making, planning and tourism politics in tourism literature (Hall & Jenkins, 1995). Although there are differences between those terms and corresponding activities, they are overlapped to certain extent. Specifically, governance subsumes all of the related terms and activities and therefore a better comprehension of all these concepts can be enhanced by leveraging the term of governance (Bramwell & Lane, 2011).

The concept of governance has been used in various ways and this variety of uses, sometimes even misuse, adds up the difficulties for any attempt to provide a universal and useful account (Ruhanen, Scott, Ritchie, & Tkaczynski, 2010). Accordingly, no single unified conception of governance is available. As remarked by Kooiman's (2003: 4) interpretation, governance is "the totality of theoretical conceptions on governing". In political science, seminal work by Stoker (1998) offered five propositions and laid the cornerstone of governance conception. Governance in general refers to the power distribution among an array of organizations for handling economic

and social issues collectively. These organizations are drawn upon government but beyond government, including legitimate as well as self-governing institutions.

In tourism academia, governance is normally investigated by two perspectives: political economy and institutional approach (Wan, 2013). Traditionally, institution signifies "the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity" (Hall & Taylor, 1996: 938). Under the context of governance, institutional approach stresses the relative influence of multiple governance actors, activities and the interplays between them (Djelic & Sahlin-Andersson, 2006). Typically, this constellation of structures or actors deemphasizes the role of the state, whilst depends on the greater usage of networks and markets (Bramwell & Lane, 2011). In tourism studies, institutional arrangements are often related to organizational structures, disciplines, cooperating processes and systems which shape the legitimacy (Beaumont & Dredge, 2010; Wan, 2013).

It is not unusual for tourism researchers to utilize institutional perspective to study governance. For example, Bramwell and Pomfert (2007) used a case study to examine the multi-agency governance in Windermere's lake located in United Kingdom. Their study reported how three independent organizations reached mutual agreements on a collaborative approach to govern tourism policymaking and planning in the lake region. Albeit different policy priorities and interests among three authorities, certain contextual characteristics made this local partnership successful, namely the need of sustainable tourism to involve different ownerships and interests, the requirement from national legislation, and the urge to get through economic recession. Conversely, extensive research also illustrates the weaknesses of local network structures. For instance, Higgins-Desbiolles (2011) found trade-offs between economic development and ecotourism prevalent in Kangaroo Island, South Australia. She contended that there were conflicts of interests within local governance, wherein formal government agencies were economic-driven whilst private agencies were environmental-oriented.

The other dimension of governing in tourism research is conducted through the lens of political economy. Political economy is a general social theory which concerns how politics determine the decision-making process and the final choices of a society (Nunkoo & Smith, 2013). Proponents of political economy believe that government, especially the state government, plays a primary role in shaping economic, political and cultural regulations as well as enhancing

legitimacy reproductions (Bevir, 2009; Wang & Bramwell, 2012; Cornelissen, 2011). This approach regards the social system as a whole whereas the diversified spheres of society constitute the parts of the whole. Notably, economic aspect is strongly associated with political, cultural and social spheres of society, which constitutes the central interest for the state to balance and govern (Bramwell, 2011; Wang & Bramwell, 2012; Harvey, 2010).

Under the common thread that economic and political aspects are impartible, political economy encompasses multiple approaches for scholars to study governance (Barnes, 2000). For example, Mosedale (2011) identified four major approaches to political economy: Marxian historical materialism; regulationism; international regulationism and post-structuralism. Recently in tourism, more attention has been given to Jessop's (2008) strategic-relational approach to governance (e.g., Yan & Bramwell, 2008; Bramwell & Meyer, 2007; Bramwell, 2011). Within this approach, state involvement in societies can be taken as: "a system of strategic selectivity and the nature of political struggle as a field of competing strategies for hegemony" (Jessop, 1990: 221). That is, the state is a strategic domain where the government privileges certain strategies over others among all the social relations. As a socially embedded actor, states have the capacity to understand the structural constraints at particular times and strategically choose their specific focuses to achieve particular benefits at a given time.

The discussion of political economy in tourism governance has been very limited. Exceptions are several seminal studies initiated and coauthored by Bill Bramwell. For example, Yan and Bramwell (2008) explored the evolving governance of China's Communist Party on heritage and tourism development in Qufu World Heritage site. They examined the structural changes that have driven the shifting modes of governing on Confucianism site from Maozedong's era to modern times. It was shown that both decline and revival of Qufu World Heritage site were strongly affected by the state's changing attitudes towards Confucianism and cultural traditions.

However, for the most part of the literature in tourism governance, the account normally centers on institutional approach using case studies at a micro or meso level. Relatively few efforts have been made to examine governance of the political economy perspective (Mosedale, 2011; Bramwell, 2011; Hall, 2011). Between the dimensions from institutional actors to state intervention, Hall (2011) summarized a typology of governance that links with the key concepts in tourism. The typology resulted in four modes of governing: "hierarchies, markets, networks,

and communities" (p. 443). While the themes of markets, networks and communities have been significant in tourism governance literature, hierarchical governance remains unassessed. Several studies have covered different themes of tourism using political approach, but few have taken a state-centric perspective to situate the rise and decline of tourism into a broader political-economic picture, through the analysis of the national economic and social development policy. As remarked by Hall (2011: 446): "in much of the tourism policy literature, the ongoing legislative and regulatory role of the state remains unassessed."

### State Involvement in Sustainable Tourism

At its earliest stage, the views behind sustainable tourism have largely focused on the notion of sustainable development brought up by the Brundtland Report (World Commission on Environment and Development, 1987). This report deems sustainability as the practices to protect the environment not only to meet the needs of current generation but also generations in future (Bramwell & Lane, 2011). In that context, sustainable tourism is more environmentally-centered and resource-conscious (Torres-Delgado & Palomeque, 2014). However, this paradigm fails to offer a conceptual instrument that connects to specific policy formulation (Hunter, 1997). Based on the policy statements of sustainable tourism provided by World Tourism Organization and United Nations' Environment Programme (UNEP), Hall (2011: 659) has recognized three dimensions of sustainable tourism in policymaking: "economic sustainability", "social sustainability" and "environmental sustainability". Under this interpretation, sustainable tourism becomes a socially embedded construct that reflects various interests in economy, culture, and politics (Bramwell & Lane, 2011). The question then arises for governments is about how to balance different interests.

Governance always alters over time, searching for a more efficient approach to accommodate the consistent changes from political and social contexts (Bramwell & Lane, 2011). As Stoker (1998: 18) posited: "the value of the governance perspective rests in its capacity to provide a framework for understanding changing processes of governing". Under the lens of political economy, Jessop's (2008) strategic-relational approach suggested that the state, as a primary social actor of policymaking, takes a strategic selection based on their own values as well as the structural constraints happened in specific time and particular circumstance. This strategic calculation enables the state to compare different choices and resources for maximizing the benefits at a given moment. The social outcome from this state's strategic calculation is that some strategies will be favored over others at a particular time (Pastras & Bramwell, 2013). It therefore indicates why the state can intervene to either impede or promote tourism development. Traditionally, state may prefer to choose economic development as the priority (Nunkoo & Smith, 2013), which is one of the bases inherent in political economy that society itself is expansionist for producing social surplus and accumulating economic capital (Bramwell & Meyer, 2007). Hence, the development of tourism at the earliest time may rest in its capacity to generate wealth (Wang & Bramwell, 2012). Over time, the focus of state involvement in tourism can be adjusted according to the tensions and contradictions caused between structures. State can adopt a relational way to respond to the new conflicts occurred in contingent situations (Peet, 1998). One example on sustainable tourism is that Chinese government started to promote and protect Confucian heritage site since 1980s to demonstrate political beliefs and strengthen legitimacy (Yan & Bramwell, 2008). Reflected on this changing governance, Bramwell (2011: 474) outlined three key perspectives of political economy to study the state involvement and sustainable tourism, namely "spatial and temporal variations", "spatial and temporal adaptions", and "path dependence and creation". It suggests that research on the changing features of state involvement in tourism sustainability can be examined from three different perspectives, i.e., the changing effects of same state activity in different spaces and at different times; the changing state activities in different spaces and at various times; and the directions of governance variations.

Led by the socialist system, China's authority is derived from a highly-centralized source of the Communist Party (Shue, 2008). Therefore, China's central government serves as the overarching umbrella for policy-making and society development (Wang & Bramwell, 2012). Since the economic reform in 1978, China has undergone a transition from a central planned economy to a market mechanism (Airey & Chong, 2010). Together with the tremendous economic development, the role of tourism has also been largely uplifted and incorporated into different spectrums of government planning and policy (Sofield & Li, 2011). Starting from scratch, China is now the largest outbound source market and the fourth international tourist destination in 2016 (UNWTO, 2017). With this background, the present study adopts a political economy approach that explores how governance in a state level would strategically prioritize various choices across different periods; and explores where the role of tourism fit among all those strategic calculations. This view requires current research to deploy a temporal horizon that put the state into its broad social relations within which the reciprocal and diversified relations between tourism, economy and politics can be investigated.

#### Governing Sustainable Tourism Development in China

As specified by the research objective, this undertaking is primarily a textual analysis of the national economic and social development policy. This study will be particularly interested in analyzing the country's Five-Year Guideline for National Economic and Social Development (hereafter "FYG"). Taking a political economic approach, it is deemed appropriate to understand how the government rule and steer tourism industry in a sustainable manner through the analysis of the plan established for the entire country. The FYG is the overarching roadmap implemented by the Chinese government to attain its national social-economic development by drafting the society's future directions and changes through guidelines, policy frameworks, and is effective to all decision-makers from different levels of government in five-year cycles (Page, 2014).

Data used for this analysis consist of seven FYGs since 1981, when tourism was mentioned for the first time. The document was analyzed using an inductive method as suggested by Glaser and Strauss (2011). Open coding procedure was firstly conducted with line-by-line reading to identify prominent categories of information emerged from the text. Constant comparison was used to saturate the categories. A total of three rounds of open coding were conducted to ensure that there is no drift nor shift in the definition and meaning of codes during the coding process to assure the reliability, as suggested by Gibbs (2007). Axial coding was then conducted after the text has been reduced to a small set of categories. During axial coding, the underlying similarities among the original categories were discovered to group into a higher level of concepts. Selective coding was lastly utilized when more abstract thematic patterns were identified and the hierarchy finalized.

Operationally, the Chinese documents were decoded directly in Chinese and afterwards translated into English for the manuscript writing. The data analysis was conducted by the first and the second authors independently. Due to the inductive nature of the study, this process is not designed to guarantee that two analysts will reach the same results but to allow for certain flexibility and vagueness which will assist the creative generation of theory (Glaser & Strauss, 2011). The results of coding were then compared and consensus was achieved. The third author, acted as peer debriefer, read through the final product to enhance the accuracy of the account

(Cresswell, 2007). Given the fact that all three authors have extensive experience and knowledge with respect to China's tourism which can triangulate the analysis results, we believe that the constant comparison, multiple rounds of decoding, thick description of the findings, and peer debriefing can ensure the validity of the results. However, the readers are cautioned about the potential bias in the interpretation resulted from the insiders' view.

#### **Five Year Plans and Tourism Development**

A thorough review of FYG documents from 6<sup>th</sup> to 13<sup>th</sup> version indicates that tourism does not receive tremendous attention in terms of the amount and deepness of description. Focused description of tourism plans is very limited while only few sentences related to tourism appeared fragmentally over all seven guidelines. Comparing with many other industry sectors, tourism only occupies a tiny space of a magnificent FYG document. In addition, tourism development plans are scattered in different sections and chapters of the guidelines to support a broader objective. For example, tourism can be frequently found in chapters about international transaction expansion, regional economic development policy, and service industry promotion. This phenomenon reflects a long-term affiliated position of tourism in the national economic and social development. This is even more obvious in earlier FYG versions in which tourism development was simply described as a means to increase export and foreign exchange receipt and most tourism construction plans were aiming at inbound tourism market only.

Nevertheless, based on a thorough comparison among each FYG document over these periods, it was identified that the weight and content of tourism related guidelines in the FYG are getting increasingly mature and complex. The status of tourism in the FYG also increases over periods as reflected in tourism's changing positions in the entire FYG structure. Although the average attention that tourism receives over the eight FYG periods is not as significant as many other industries or social sectors, it is pleased to observe a tendency from scattering to clustering of tourism plans description.

The central government started to emphasize tourism development from 1981, the year when the 6<sup>th</sup> FYG commenced. Tourism was an independent chapter under the section of International Trade. Tourism plan in the 7<sup>th</sup> FYG (year of 1986) was just as similar as that of the 6<sup>th</sup> one. In the 8<sup>th</sup> FYG (year of 1991), however, tourism plan suddenly reduced to a few sentences supporting the goal of increasing service export. In the 9<sup>th</sup> FYG (year of 1996), tourism started to restore its status and was clearly positioned as an important service industry. From the 10<sup>th</sup> (year of 2001) to the 13<sup>th</sup> FYG (year of 2016), the position of tourism has been stabilized as a subset of consumer oriented service industry, while an independent sub-section of tourism development plan has not been established until the 11<sup>th</sup> FYG (year of 2006).

This trend is consistent with the economic and social development of China and at the same time reflects the central government's growing respect for and knowledge about tourism. Each stage of the tourism plan also correspondeds closely to the contemporary macro political and economic environment and the mainstream policy of China. A specific description of the state of tourism in each FYG document and its macro-environmental explanation is provided below.

The 6<sup>th</sup> Five Year Guideline started to officially involve tourism development into China's national economic and social development plan and an independent chapter under the International Trade section was provided for tourism. The 7<sup>th</sup> FYG followed this way and made it more detailed. In the tourism chapter, inbound tourism development was emphasized and the central government proclaimed to develop tourism destinations, attractions and facilities. However, this was still a rather brief chapter and tourism development in the whole guideline was mainly positioned as a tool for promoting national openness and international trade. In regional economic development issues, only Eastern China was officially encouraged to develop tourism in the 7<sup>th</sup> FYG. The central government seemed to reduce its attention to tourism in the next five-year plan because tourism was barely described in the 8<sup>th</sup> FYG and there was no independent part for tourism. Only international tourism development, combined with many other international service trade categories, was promoted with few sentences to fulfill the goal of increasing service export. Nevertheless, tourism in this guideline was for the first time placed as one of the important "tertiary industry" sections that were highly promoted in this planning period.

After long time of tourism restriction since 1949, China began to promote its tourism in 1979 when reform and openness policy was implemented. Tourism plan appeared in the 6<sup>th</sup> FYG exactly reflected this considerable historical change. The 6<sup>th</sup> to 8<sup>th</sup> FYG were published in 1980s, the period during which China began to open its door to the world and international trade promotion was a critical national policy. Tourism business or mass tourism was in fact not officially allowed before 1979, therefore China's tourism in this era was in its infancy and it is not strange that the

initial tourism development was utilized as a tool to fulfill more important national political and economic goals.

In the 9<sup>th</sup> FYG, content of tourism plan was increased again and was formally positioned as a paragraph of the "Actively Develop Tertiary Industry (*da li fa zhan di san chan ye*)" chapter. Moreover, in this guideline, tourism resource utilization, service improvement and facility construction were emphasized. Central government also began to proclaim to take advantage of regional special tourism resources to build outstanding destinations in Southwestern area. It was for the first time that tourism was associated with Western regional economic development and that domestic tourism development was officially encouraged. Although in the 10<sup>th</sup> FYG the description of tourism development increased a lot, there was still no independent chapter. Tourism plan has been officially categorized into the consumer oriented service industry development plan since this plan period. However, most of the strategies for tourism development were separately placed in connection with regional economic development policy, service export, and inbound investment.

These two FYGs were published in 1990s during which China was experiencing rapid foreign investment growth, drastic urbanization, serious unemployment due to institutional reform, and rapid manufacturing industry development. Therefore, central government was trying to promote the "tertiary" or service industry to increase employment opportunities and prepare for the economic structure adjustment, and tourism was developed as a means for this.

The 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> FYG basically follow the similar fashion in terms of tourism plans. Tourism again obtained the status of occupying an independent section, though this time it is under the chapter of "Consumption Oriented Service Industry Development (*xiao fei xing fu wu ye*)". Tourism plan became more systematic and inclusive in these three periods. Previous issues such as international service trade, facilities and destination construction and regional tourism economic development were elaborated. Meanwhile many other new issues such as product diversification, resources protection and development of special interest tourism began to appear. Furthermore, as China has successfully claimed back its colonized territories since 1997 and the unification issue stood out in the 21<sup>st</sup> century, tourism plans have been extended to Hong Kong, Macao and Taiwan to enhance the connection with these places. Particularly for 13<sup>th</sup> FYG, central government has

expanded tourism to a multinational scale. China started to promote One Belt One Road initiative and leverage tourism as a means of enhancing cooperation with participating countries.

From 2000 to 2010, China was confronted with economic structure adjustment pressure and unbalanced regional development whereas central government resorted to tourism and other service industries to resolve these problems. Additionally, the concept of sustainable development became more mature in this period and the central government widely incorporated it into tourism plans. The 11<sup>th</sup> and 12<sup>th</sup> FYG manifest a mature attitude toward tourism development. Tourism has become a significant service industry influencing various aspects of China's economy and society. Notwithstanding, tourism still received insufficient attention in terms of the amount and depth of related content of the independent section. The most recent 13<sup>th</sup> FYG has significantly expanded tourism-related content and integrated it into more extensive themes. From 2011 to 2016, China was stepping onto a new stage with the focus of competition shifting from building well-off society to developing people's wellbeing. Tourism has been therefore associated with several new topics including culture creative industry, happiness industry and smart cities. Meanwhile, central government started to leverage tourism to develop global leadership by initiating One Belt One Road. It was for the first time that tourism was used as a bridge of supranational governance.

#### **Tourism and Sustainable Development**

While tourism was covered in various parts in the FYGs, two recurring themes pertinent to sustainability were identified after decoding the documents: tourism as a means of national economic, social-cultural, and environmental sustainable development; and the measures that can be adopted to improve the sustainability of tourism development including government investment, consumption policy, tourism resources management, and institution building. In general, the first theme covers much more categories and is considered as receiving more attention than the second one. The themes and responding categories and open codes are displayed in Table 1.

#### Insert Table 1 here

#### Balance the Regional Development

The open door policy implemented in 1978 triggered the development of the east coastal area of the country due to Chinese leaders' belief that allowing some areas to get rich ahead of others

produces a trickle-down of prosperity to less developed area. Policy for tourism development was also consistent with this general guideline in that tourism was regarded as one of the catalysts for the development of the coastal area in the 7<sup>th</sup> and 8<sup>th</sup> FYG, and later extended to Southern part of the country in the 9<sup>th</sup> FYG. The abandonment of the hitherto regional equality policy, however, produces an anxiety over worsening regional disparity especially between the Interior West and the Coastal East.

Regional economic balance is vital to the social stability and national economic sustainability. Unacceptable wealth gap between different regions can result in uncontrollable complaint in underdeveloped regions that is hazard to the social stability. In addition, large numbers of labor would flow to more developed areas. Uncontrolled flow can lead to various social problems such as crimes, unemployment, congestion, resources struggling and many conflicts. These problems have been serious since 1990s in many large cities of east China. The government therefore launched the Grand Western Development Program in 2000 and the Northeast Area Revitalization Plan in 2003. Developing West China and revitalizing Northeast China has since then become the strategic priority of the country.

The main components of the Grand Western Development Program include education advancement, retention of high-skilled labors, oversea investment attraction, infrastructure development and environmental protection. Among all the prioritized industries, tourism has been identified by the central government as the new direction for economic development of the region since 10<sup>th</sup> FYG until the most recent 13<sup>th</sup> FYG. It is expected that tourism development in the underdeveloped west areas can attract more investment and increase the employment and income in a more environmentally sustainable way. In addition to its vigorous role in the development of West China, tourism also shows its potential in the revitalization of Northeast Industrial Base. The role of tourism was further emphasized in 12<sup>th</sup> FYG which stipulated that tourism should be vigorously developed to revitalize the development of Northeastern provinces. Notably for the 13<sup>th</sup> FYG, the government promoted Yangtze River Economic Zone which integrates 11 provinces across western, central and eastern regions stressed by previous FYGs. Tourism has been involved into this compound belt to enhance economic quality and industrial upgrading.

#### Tourism and Economic Sustainable Development

Independent chapters or short sections in FYGs have been set aside several times for tourism to highlight the importance of tourism industry. Tourism is also underscored as a significant service or "tertiary" industry and a new economy driving force. Economic structure adjustment is necessary for all kinds of nations and regions to further its economy in certain stages. Such an adjustment embodies in the change of proportions of different industries in national economy. For China, service or "tertiary" industry development has been frequently proclaimed in 9<sup>th</sup> FYG, 10<sup>th</sup> FYG and 13<sup>th</sup> FYG in support with the economic structure optimization strategy. Tourism is also clearly cited as one of the key service industries in contributing to this goal. Moreover, balanced regional economy can also provide more opportunity for the economic sustainability of China's developed regions in that emerging markets will consume more goods produced in those big cities. If regional advantage can be coordinated well, synergic effect would be achieved to increase the economic sustainability.

To increase the international trade and opening degree is the main purpose of early tourism development plan in FYG. Inbound tourism and foreign exchange receipt increase have been frequently emphasized throughout the decades whilst recently central government began to balance the domestic and international tourism development. For instance, after years of promoting international tourism development, China's outbound tourism and oversea consumption continue to surge. In order to pull back Chinese consumer from oversea shopping and better enhance domestic consumption, 13<sup>th</sup> FYG encouraged the return of consumers' outbound shopping by constructing duty-free zones at major tourist destinations. On the other hand, tourism itself needs to be more open to the international tourists to adapt to globalization and enhance its competency. Opening policy has been a basic national development strategy since 1979 to guarantee the sustainability of China's economic and social development. In the 10<sup>th</sup> FYG, the state has explicitly taken tourism as an approach to increase the country's opening degree to facilitate economic and social sustainable development. In the 11<sup>th</sup> and 12<sup>th</sup> FYG, regulations were further suggested for inbound tourism development. Accordingly, promoting inbound tourism and open the tourism market can generate considerable income, acquire advanced tourism management technique, and facilitate cultural and social exchange, in turn benefits the national economy and society in the long run.

### Maintain National Unification and Image by Developing Tourism

Starting from 11<sup>th</sup> FYG, tourism has been more frequently linked with political sphere of the country. In 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> FYGs, the state actively support the tourism development of Hong Kong and Macao as a means to maintain the prosperity of both special administrative regions and enhance the confidence of their residents to state government. Both the 12<sup>th</sup> and 13<sup>th</sup> FYGs have proposed Hong Kong to be the service center in Asia Pacific and Macau as the world center of tourism and leisure. Another theme is to increase the communication between mainland and Taiwan to promote peaceful relationship across the Taiwan Strait, hoping that the enhanced communication can facilitate unification, which is critical to the sustainability of economic, social and cultural development.

Besides national unification, building state image and country leadership was also manifested by tourism plans. China launched the One Belt One Road initiative in 2013 with a cooperative framework stretching across multiple nations along maritime Silk Road and old overland Silk Road. This first-ever Chinese scheme highlights the inter-governmental connectivity and cooperation. In the 13<sup>th</sup> FYG, tourism exchange and cooperation among the participating countries was highly promoted. Particular to the collaboration between west China provinces and border countries, tourism is valued by its potential to accelerate political stability and economic progress. Furthermore, 13<sup>th</sup> FYG promoted the integration of tourism sources and development of featured tourism products along the Silk Road. This multinational effort demonstrates China's national image and global influence after 30 years of governance in its tourism development.

#### Measures to Improve the Sustainability of Tourism Development

The other theme related to sustainability revolves around the measures that can be adopted to improve the sustainability of tourism such as product development, resource and infrastructure development, market investment and regulation.

Tourism product diversification and differentiation were highly emphasized in recent FYGs. Development of special tourism types such as rural tourism, Hongse (red) tourism, and smart tourism was promoted to facilitate sustainable economic, social, cultural and ecological development, and improve the sustainability of the industry. Among those products, rural tourism, Hongse tourism, eco-tourism and cultural tourism are four key areas that central government encourages the most in the effort of diversification and differentiation. Needless to say, diversified tourism products with distinguishing features infuse more competitiveness and market sustainability to the whole tourism industry. On the other hand, these four underscored tourism areas also have the possibility to facilitate China's sustainable development in all aspects.

Eco-tourism, although not without controversy, has been recognized by many scholars and practitioners as an effective way to ensure a community's environment sustainability. Cultural tourism, whereas, takes the responsibility in sustaining the unique customs and identity of a community or nation. Both eco-tourism and cultural tourism are agreed commonly as sustainable tourism that benefits both host communities and tourists, if appropriately conducted. The development of rural tourism and Hongse tourism was proposed to address special conditions of the country: rural tourism was put forward to upgrade industry structure of the rural area to bridge the gap between urban rich and rural poor, and Hongse tourism is developed to educate the next generation of contemporary Chinese history and to enhance the ideological value of the Chinese Communist Party.

The quality and preservation of tourism resources is very critical to the sustainability of tourism. Protect tourism resources to achieve ecological sustainability is also highlighted in recent FYGs. Both development and preservation of tourism resources were valued to ensure a sustainable development of the industry. However, detailed measures of regulation and preservation were rarely described in FYGs. Besides resources, infrastructure management was constantly emphasized as a way to expand tourism supply and demand. On the supply side, central government frequently highlights facilities and infrastructure construction, tourism destination and attraction development and tourism product development in nearly all the FYGs reviewed. On the demand side, domestic tourism consumption was highly encouraged. The ever increase of both tourism supply and demand is the basis for ensuring continuous development and growth of tourism industry.

Along with the expansion of both supply and demand sides, market management system and corresponding regulations have also been put on the FYGs. Appropriate market management system and satisfactory service is prominent in sustainable tourism development. Market order and service influence tourists' satisfaction and confidence in the industry and businesses. Illegal business conduction and poor service will enormously jeopardize the tourism industry. Market regulation, business integration and tourism management improvement are three market

management components. Except for the 8<sup>th</sup> FYG, improving tourism service quality and the tourism market management system have been deemed as key area to achieve sustainable tourism development across all FYGs.

## The Epilogue

A political economy approach expands our insights into state involvements affecting tourism sustainability by focusing on the interplays between the state and socioeconomic policies. This study explains the fundamental concepts behind political economy and demonstrates how it can be used to understand the evolving governance impacting on tourism and sustainability. Situating tourism into a broad horizon within state's total relations, the multiple interplays between tourism, economy and politics were examined. Since China's opening up in 1978, central state's strategic choices differ in time and places (Jessop, 1990). The temporal variations as well as adaptions regarding tourism sustainability (Bramwell, 2011) are clearly manifested in its overall national economic and social development policy. Tourism in China gained its first momentum since 1981 when it first appeared in the 6<sup>th</sup> FYG. Since then, tourism was only regarded as a sector serving international trade for fifteen years. It was not until 9<sup>th</sup> FYG in the year of 1996 was tourism repositioned clearly as service industry and further to a subset under consumer oriented service industry. But independent session of tourism development was only available after 11th FYG in the year of 2006. This trend reflects the central government's growing respect for and knowledge about tourism and also corresponds closely to the macro political and economic structures and the mainstream policy of China.

Despite that the tourism policy of China central government has much association with national sustainable development and that several policies were designed to enhance the tourism sustainability of China as analyzed in previous section, there are still many sustainability issues that were inadequately addressed in FYG. Moreover, current and previous policies were not sufficient in governing sustainable tourism. First of all, tourism development plans primarily aim at contributing to economic sustainability, whereas socio-cultural and ecological aspects of sustainability are hardly related to tourism. Even though sustainable development concept has been proposed since the 9<sup>th</sup> FYG, sustainable tourism development in socio-cultural and ecological aspects had not been obviously announced until 11<sup>th</sup> FYG when ecological tourism resource preservation were first time proposed. Thus, sustainable tourism governance is falling behind.

In addition, measures and policies to facilitate sustainable development of tourism are far from adequate and effective. Three primary methods, resource preservation, market development, and management system improvement, were only briefly described which showed an inadequate commitment to sustainable tourism. Among the three methods, market development, in which tourism facilities and attractions construction and consumption expansion were emphasized, occupies the largest share. This demonstrates a boosterism approach to tourism development. More methods covering social, cultural and ecological issues are recommended to produce a more complete and scientific sustainable tourism development system.

China's three-decade development of tourism has enhanced itself as one of the leading international tourism powerhouses. The specific conditions of China's evolving social-politicoeconomic context have offered fertile seedbeds for upgrading and diversifying its tourism industry (Sofield & Li, 2011). By tracing back to the state's Five-Year Guidelines for National Economic and Social Development, this study offers the insight into how tourism can be analyzed amidst a totality of state relations from a perspective of political economy. It also investigates how the tourism is leveraged by the state as various instruments strategically for specific goals in different stages (Jessop, 1990). Future studies can be valuable on the comparisons between FYG and The National Tourism Plan (NTP) issued by China National Tourism Administration (CNTA). In line with the introduction of newest version of FYG, NTP is normally established afterwards to serve as the detailed guideline for future tourism development in China (Page, 2014). Thus, the analysis of key policy objectives prescribed in NTP offers a full explanation on the tourism-related statements in FYG. Besides, case studies using political economy approach are also encouraged to explore the governance at regional government levels (Bramwell, 2011), as the structural pressures and strategical focuses which local government faces will be significantly varied from the central government.

## References

- Airey, D., & Chong, K. (2010). National policy-makers for tourism in China. Annals of tourism Research, 37(2), 295-314.
- Baggio, R., Scott, N., & Cooper, C. (2010). Improving tourism destination governance: A complexity science approach. *Tourism Review*, 65(4), 51-60.
- Barnes, T. (2000) Political Economy. In R.J. Johnston, D. Gregory, G. Pratt & M. Watts (Eds), *The Dictionary of Human Geography* (4th ed.). Oxford: Blackwell.
- Beaumont, N., & Dredge, D. (2010). Local tourism governance: A comparison of three network approaches. *Journal of Sustainable Tourism*, 18, 7-28.
- Bevir, M. (2009). Key concepts in governance. London: Sage.
- Bramwell, B. (2005). Interventions and policy instruments for sustainable tourism. In W. Theobold (Ed.), *Global Tourism* (3rd ed., pp. 406-426). Oxford: Elsevier.
- Bramwell, B. (2011). Governance, the state and sustainable tourism: A political economy approach. *Journal of Sustainable Tourism*, 19(4-5), 459-477.
- Bramwell, B., & Lane, B. (2011). Critical research on the governance of tourism and sustainability. *Journal of Sustainable Tourism*, 19(4-5), 411-421.
- Bramwell, B., & Meyer, D. (2007). Power and tourism policy relations in transition. *Annals of tourism research*, 34(3), 766-788.
- Bramwell, B., & Pomfert, G. (2007). Planning for lake and lake shore tourism: Complexity, coordination and adaptation. *Anatolia*, 18(1), 43-66.
- Bramwell, B., & Sharman, A. (1999). Collaboration in local tourism policymaking. Annals of Tourism Research, 26, 392-415.
- Cornelissen, S. (2011). Regulation theory and its evolution and limitations in tourism studies.
  In J. Mosedale. (Eds.), *Political economy of tourism. A critical perspective* (pp. 39-54). London: Routledge.
- Cresswell, J. W. (2007). *Qualitative Inquiry and Research Design: Choosing among Five Approaches.* Thousand Oaks, CA: Sage.
- Dinica, V. (2009). Governance for sustainable tourism: A comparison of international and Dutch visions. *Journal of Sustainable Tourism*, 17, 583-603.
- Djelic, M., & Sahlin-Andersson, K. (2006). *Transnational governance: Institutional dynamics of regulation*. New York: Cambridge University Press.
- Dredge, D. (2006). Policy networks and the local organisation of tourism. *Tourism Management*, 27, 269-280.
- Dredge, D., & Jenkins, J. M. (2007). Tourism Planning and Policy. Milton: John Wiley.
- Dredge, D., & Pforr, C. (2008). Policy networks and tourism governance. In N. Scott, R. Baggio & C. Cooper (Eds.), *Network Analysis and Tourism: From Theory to Practice* (pp. 58-78). Cleverdon: Channel View Publications.
- Erkus-Ozturk, H., & Eraydin, A. (2010). Environmental governance for sustainable tourism development: Collaborative networks and organization building in the Antalya tourism region. *Tourism Management, 31*, 113-124.
- Gais, T. L., Peterson, M. A., & Walker, J. L. (1984). Interest groups, iron triangles and representative institutions in American national government. *British Journal of Political Science*, 14, 161-185.
- Gibbs, G. R. (2007). Analyzing qualitative data. In U. Flick (Ed.), *The Sage Qualitative Research Kit*. London: Sage.

- Glaser, B. G., & Strauss, A. L. (2011). *The Discovery of Grounded Theory: Strategies for Qualitative Research* (6th ed.). New Brunswick: Aldine Transaction.
- Hall, C. M. (2008). *Tourism Planning: Policies, Processes and Relationships* (2nd ed.). London: Prentice-Hall.
- Hall, C. M. (2011). A typology of governance and its implications for tourism policy analysis. *Journal of Sustainable Tourism, 19*(4-5), 437-457.
- Hall, C. M., & Jenkins, J. (1995). Tourism and Public Policy. London: Routledge.
- Hall, C. M., & Williams, A. M. (2008). Tourism and Innovation. London: Routledge.
- Hall, C. M. (2011). Policy learning and policy failure in sustainable tourism governance: From first-and second-order to third-order change?. *Journal of Sustainable Tourism*, 19(4-5), 649-671.
- Harvey, D. (2005). A brief history of neoliberalism. Oxford: Oxford University Press.
- Harvey, D. (2010). The enigma of capital: And the crises of capitalism. London: Profile Books.
- Higgins-Desbiolles, F. (2011). Death by a thousand cuts: Governance and environmental tradeoffs in ecotourism development at Kangaroo Island, South Australia. *Journal of Sustainable Tourism*, 19(4-5), 553-570.
- Hunter, C. (1997). Sustainable tourism as an adaptive paradigm. *Annals of tourism research*, 24(4), 850-867.
- Jessop, B. (1990). State theory: Putting the capitalist state in its place. Cambridge: Polity Press.
- Jessop, B. (2008). State power: A strategic-relational approach. Cambridge: Polity Press.
- Kooiman, J. (2003). Governing as Governance. Los Angeles: Sage.
- Mosedale, J. (2011). Re-introducing tourism to political economy. In J. Mosedale (Ed.), *Political economy of tourism. A critical perspective* (pp. 1-13). London: Routledge.
- Murphy, P. E. (1983). Tourism as a community industry -- An ecological model of tourism development. *Tourism Management*, *4*, 180-193.
- Nunkoo, R., & Smith, S. L. (2013). Political economy of tourism: Trust in government actors, political support, and their determinants. *Tourism management*, *36*, 120-132.
- Page, S. (2011). Tourism management: An introduction. Oxford: Routledge.
- Pastras, P., & Bramwell, B. (2013). A strategic-relational approach to tourism policy. *Annals of Tourism Research*, 43, 390-414.
- Peet, R. (1998). Modern geographical thought. Oxford: Blackwell.
- Peters, B. G. (2000). Governance and comparative politics. In J. Pierre (Ed.), *Devating Governance: Authenticity, Steering and Democracy* (pp. 36-53). Oxford: Oxford University Press.
- Pforr, C. (2002). The makers and the shakers of tourism policy in the Northern Territory of Australia: A policy network analysis of actors and their relational constellations. *Journal of Hospitality and Tourism Management*, *9*, 134-151.
- Pforr, C. (2006). Tourism policy in the making: An Australian network study. *Annals of Tourism Research*, 33, 87-108.
- Pierre, J. (1999). Models of urban governance: the institutional dimension of urban politics. *Urban affairs review*, *34*(3), 372-396.
- Pierre, J., & Peters, B. G. (2000). *Governance, Politics and the State*. New York: St. Martin's Press.
- Rhodes, R. (1996). The new governance: Governing without government. *Political Studies*, 44(4), 652-667.

- Rhodes, R. A. W. (1997). Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability. Buckingham: Open University Press.
- Ruhanen, L., Scott, N., Ritchie, B., & Tkaczynski, A. (2010). Governance: A review and synthesis of the literature. *Tourism Review*, 65(4), 4-16.
- Russell, S. V., Lafferty, G., & Loudon, R. (2008). Examining tourism operators' responses to environmental regulation: The role of regulatory perceptions and relationships. *Current Issues in Tourism, 11*(126-143).
- Scott, N., Cooper, C., & Baggio, R. (2008). Destination networks: Four Australian cases. *Annals* of *Tourism Research*, 35, 169-188.
- Shue, V. (2008). Rule as repertory and the compound essence of authority. *Modern China*, 34(1), 141-151.
- Sofield, T., & Li, S. (2011). Tourism governance and sustainable national development in China: A macro-level synthesis. *Journal of Sustainable Tourism*, 19(4-5), 501-534.
- Stoker, G. (1998). Governance as theory: five propositions. *International Social Science Journal*, *50*(155), 17-28.
- Thatcher, M. (1998). The development of policy network analyses: From modest origins to overarching frameworks. *Journal of Theoretical Politics*, 10(4), 389-416.
- Torres-Delgado, A., & Palomeque, F. L. (2014). Measuring sustainable tourism at the municipal level. *Annals of Tourism Research*, 49, 122-137.
- Tyler, D., & Dinan, C. (2001). The role of interested groups in England's emerging tourism policy network. *Current Issues in Tourism, 4*, 210-252.
- UNWTO. (2017). UNWTO Tourism Highlights 2017 Edition. Madrid: World Tourism Organization.
- Wan, Y. K. P. (2013). A comparison of the governance of tourism planning in the two Special Administrative Regions (SARs) of China–Hong Kong and Macao. *Tourism Management*, 36, 164-177.
- Wang, Y., & Bramwell, B. (2012). Heritage protection and tourism development priorities in Hangzhou, China: A political economy and governance perspective. *Tourism Management*, 33(4), 988-998.
- Wearing, S., & Neil, J. (2009). *Ecotourism: Impacts, Potentials and Possibilities*. Oxford: Butterworth-Heinemann.
- Wesley, A., & Pforr, C. (2010). The governance of coastal tourism: Unravelling the layers of complexity at Smiths Beach, Western Australia. *Journal of Sustainable Tourism*, 18, 773-792.
- Williams, A., & Montanari, A. (1999). Sustainability and self-regulation: Critical perspectives. *Tourism Geographies*, 1(1), 26-40.
- Williams, A., & Shaw, G. (1998). Tourism and the environment: Sustainability and economic restructuring. In C. M. Hall & A. Lew (Eds.), Sustainable Tourism: A Geographical Perspective (pp. 49-59). Harlow: Longman.
- World Commission on Environment and Development (1987). *Our common future: The Brundtland report*. Oxford: Oxford University Press.
- Yan, H., & Bramwell, B. (2008). Cultural tourism, ceremony and the state in China. *Annals of Tourism Research*, 35(4), 969-989.
- Y"uksel, F., Bramwell, B., & Y"uksel, A. (2005). Centralized and decentralized tourism governance in Turkey. *Annals of Tourism Research*, *32*(4), 859-886.

Yee, A. S. (2004). Cross-national concepts in supranational governance: State-society relations and EU-policy making. . *Governance -- An International Journal of Policy and Administration, 17*, 487-524.

Theme	Categories	Open Codes	FYG	Frequenc y	Total
Theme 1: Tourism and Sustainable Development	Balance regional development	Catalyst for regional development Eastern China, Hainan international island, coastal area,	FYG7, FYG8, FYG12, FYG13	4	13
		Catalyst for regional development Southwestern China and southern China	FYG9	1	
		Catalyst for regional development Western China	FYG10, FYG11, FYG12, FYG13	4	
		Catalyst for regional development Northeastern provinces	FYG12	1	
		Catalyst for regional development Yangtze River economic zone	FYG13	1	
		Catalyst for rural development	FYG12, FYG13	2	
	Economic	Increase export and foreign exchange	FYG7, FYG8, FYG8, FYG10, FYG12	5	11
		Emerging tertiary industry	FYG9, FYG10, FYG13	3	
		Further open up	FYG10	1	
		Encourage domestic consumption	FYG11, FYG13	2	
	Political	Tourism in Hong Kong	FYG11, FYG12, FYG13	3	12
		Tourism in Macau	FYG11, FYG12, FYG13	3	
		Taiwan	FYG11, FYG12	2	
		Red tourism	FYG11	1	
		Nurture friendship	FYG7	1	
		Border cooperation	FYG13	1	
		One Belt One Road	FYG13	1	
	Environmental	Development of ecological and low- carbon areas (Xinjiang, Yangtze River area)	FYG11, FYG13	2	2
Theme 2:	ble Resource and infrastructure development	Infrastructure	FYG6, FYG9, FYG11, FYG12	4	13
Sustainable Tourism		Development of tourism attractions/destinations/cities	FYG6, FYG9, FYG11, FYG12, FYG13	5	
Development		Development of tourism resources	FYG9, FYG10	2	

## Table 1: Coding Framework of Five Year Guideline

	Protection of tourism resources	FYG11, FYG12	2	
Service	Service quality	FYG6, FYG7, FYG9, FYG10, FYG12, FYG13	6	8
	Individual tourism service system	FYG11, FYG12	2	
	Goal of development	FYG7	1	3
Other	Human resource	FYG7	1	
	Tourism promotion	FYG10	1	
	Tourism commodity	FYG7, FYG11, FYG13	3	13
	Sightseeing	FYG11	1	
Product	Leisure and recreation	FYG11, FYG13	2	
development	Special interest tourism	FYG11, FYG13	2	
	Uniqueness	FYG12	1	
	Diversification: ecotourism cultural tourism, red tourism	FYG12, FYG13	2	
	Smart tourism	FYG13	1	
	Tourism real estate	FYG13	1	
	Development of domestic tourism	FYG9, FYG11, FYG12, FYG13	4	9
Development of the three sectors	Development of international tourism	FYG9, FYG11 FYG12	3	
	Development of outbound tourism (regulate)	FYG11, FYG12	2	
Policy and	Industry regulation	FYG9, FYG11 FYG12	3	5
Policy and regulation	Restructure of tourism enterprises	FYG11	1	
	Policy inclination	FYG7	1	